

# Work-Share Fact Sheet For Employers



## Overview:

- This fact sheet provides general information and guidance for employers interested in participating in the Work-Share Program. This is not a guarantee of eligibility.
- The Work-Share Program (also called Short-Term Compensation or STC), is designed to help both employers and employees.
- Instead of laying off workers, a qualified employer can plan to reduce work hours across a work unit.
- Workers whose hours are reduced under an approved Work-Share Plan receive unemployment benefits that are pro-rated for the partial work reduction.
- The purpose of the program is to avoid two or more layoffs by reducing work hours uniformly across a work unit.

***Work-Share avoids layoffs, allowing workers to remain employed & employers to retain trained staff during times of reduced business activity.***

## Who pays for the benefits?

- The employer's unemployment insurance account will be charged for the payments to that employee for that week, similar to unemployed workers who receive unemployment insurance benefits.

## What is required to create a Work-Share plan?

- At least 10% of the employees in a work unit must be in the plan.
- Initial coverage of the plan must include at least **20 positions** that are filled on the effective date of the plan.
- Reduced working hours will be **fairly allocated** among employees in the Work-Share Program.
- The reduction of hours will be applied in a uniform manner and will be at least **10% but not more than 50%** of the normal hours per week of each employee.
- Participating employees must be regularly employed by the employer.
- Both **full time and part time employees can participate.**
- Seasonal, temporary, or staff employed on an intermittent basis are excluded.
- Only employees that have been employed by the employer for a period of at least three months on the effective date of the Work-Share Program can be participants.

## What is a Work-Share plan?

- Before participating in a Work-Share Program, an employer must submit and have a plan approved by the Department of Workforce Development.
- As part of the plan submittal, the employer must designate employees who are part of the "work unit" or "affected unit": any unit of 20 or more employees that is designated by the employer. The "work unit" could be any designation by an employer that identifies a group and may include employees from more than one Wisconsin work site.

(Cont'd)

## What is a Work-Share plan? (Cont'd)

- A plan can be in effect for a total of six months in any five year period within the same work unit. An employer can have multiple plans for different work units.
- The plan should include information on how employees will be notified of changes in their work schedules. If it is not possible to give notice, the plan submitted to the Department must include an explanation of why it is not possible to give the employee's notice of the changes in their work schedules.
- The program is intended to avoid layoffs. Employers will be asked to estimate the number of layoffs that would occur without implementation of the plan.

## How will employees benefit from the program?

- The employees of participating employers will **receive** an amount equal to the employee's regular benefit amount multiplied by the employee's proportionate reduction in hours worked for that week as a result of the Work-Share Program.
- If the plan includes more than 32 hours of work, or more than \$500 in wages, the employees may still be entitled to Work-Share benefits when they might otherwise be ineligible for unemployment insurance benefits.
- The employer must maintain coverage under any **defined benefit or defined contribution** retirement plan for employees who receive these benefits under the same terms and conditions as if the employees were not included in the program.
- The employer must maintain any **health insurance coverage** in place under the same terms and conditions as if the employees were not included in the program.
- The reduction in hours will be **fairly and uniformly applied** to all workers in the unit, and avoid layoffs for some of the workers.
- Employees under an approved plan will not need to register for work or conduct a work search while in the plan. However, employees must be available for work with the employer participating in the Work-Share Program should the employer need extra hours beyond what is anticipated in the Work-Share Plan.

## Can I use this program to train staff and improve staff skills?

- A plan can include employer sponsored training to enhance job skills.
- The employees in a work unit may participate in training funded under the federal Workforce Investment Act of 1998 without affecting availability for work, subject to the approval of the department.

## How to apply?

- Fill out the Work-Share Plan Application, form UCT-17434-E, and:
  - Send by **mail** to: DWD-Unemployment Insurance  
Employer Service Team  
P.O. Box 7942  
Madison, WI 53707
  - Or **Fax** to: 608-267-1400
- Note: Arrangements may be made to send the Participant List as a Word or Excel document by encrypted **email**. Call the Employer Service Team at 608-261-6700 or send an email to [taxnet@dwd.wisconsin.gov](mailto:taxnet@dwd.wisconsin.gov) for instructions.

## More questions?

- For additional questions, contact the DWD-Unemployment Insurance Employer Service Team at 608-261-6700.